

As focused on dividends as you are

The Merchants Trust PLC

Factsheet

31 March 2016

Aim

The Trust's objective is to provide an above average level of income, income growth and long-term growth of capital through a policy of investing mainly in higher yielding UK FTSE 100 companies.

History

The Merchants Trust PLC was incorporated in February 1889, making it the oldest of the investment trusts in the Allianz Global Investors stable. Initially it invested in the fixed interest securities of railway companies in the USA, Canada and South America, but now concentrates primarily on major UK companies with an above average rate of dividend yield.

Trust Benefits

Merchants has for many years focused on a simple proposition to deliver a high and rising income together with capital growth for its shareholders. Simon Gergel has been managing the trust for ten years, investing in a diversified portfolio of large, well-established and well-known UK companies. Although past performance is no guide to the future, after the AGM in May, Merchants will have paid increasingly higher dividends to its shareholders year on year for the last 34 years.

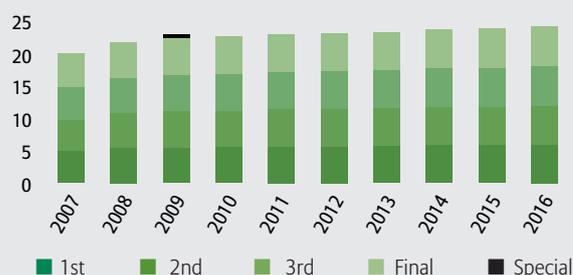
Morningstar Rating™



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Ten Year Dividend History

Net Dividend Record in Pence per Share to year end 31 January



Last Four Net Dividend Payments per Share

Record Date	Pay Date	Dividend	Type
22.04.2016	26.05.2016	6.00p	Final
29.01.2016	24.02.2016	6.00p	3rd Quarterly
09.10.2015	12.11.2015	6.00p	2nd Quarterly
17.07.2015	14.08.2015	6.00p	1st Quarterly

Past performance is not a reliable indicator of future results.

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A ranking, a rating or an award provides no indicator of future performance and is not constant over time.

Total Assets £611.3m **Shares in Issue** 108,728,464 (Ordinary 25p)

Share Price

404.8p

Source: Lipper

NAV per Share

425.8p

Premium/-Discount

-4.9%

Dividend Yield

5.9%

Gearing

21.1%

Share Price is the price of a single ordinary share, as determined by the stock market. The share price above is the mid-market price at market close.

Net Asset Value (NAV) per Share is calculated as available shareholders' funds divided by the number of shares in issue, with shareholders' funds taken to be the net value of all the company's assets after deducting liabilities.

The NAV figure above is based on the fair/market value of the company's long term debt

and preference shares (known as debt at market value). This allows for the valuation of long-term debt and preference shares at fair value or current market price, rather than at final repayment value (known as debt at par).

Premium/Discount. Since investment company shares are traded on a stock market, the share price that you get may be higher or lower than the NAV. The difference is known as a premium or discount.

Dividend Yield is calculated using the latest full year dividend divided by the current share price.

Gearing is a measure of a company's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.

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All data source Allianz Global Investors as at 31.03.16 unless otherwise stated.

Allianz Global Investors GmbH, UK Branch, 199 Bishopsgate, London EC2M 3TY

Fund Manager's Review

The Merchants Trust reported its annual results for the year ending 31st January 2016, with the directors recommending a final dividend of 6.0p. If approved by shareholders at the AGM, this dividend, fully covered earnings, will represent the 34th consecutive year of dividend growth for the company.

With the European Central Bank continuing to stimulate markets with negative interest rates and quantitative easing, and the US Federal Reserve Board pushing out expectations for the next interest rate rise, many risk assets saw strong gains in March, after a difficult first two months of the year. Emerging market bonds and equities were strong, and the oil price rose 10% to nearly \$40 a barrel.

Over the month, the FTSE 100 Index produced a total return of 1.8%. The strongest sectors included the cyclical areas of construction & materials, real estate and mining, but some defensive sectors were also strong, such as tobacco and electricity. The worst sectors were fixed line telecoms, general retail and banks.

The Trust's NAV returned 0.12% but lagged behind the benchmark. The main factors in the underperformance were a profit warning from William Hill, which also affected Ladbrokes, and strong performances from Glencore and British American Tobacco, where the portfolio is underweight. On the positive side, strong performances from Ashmore, Centrica and ICAP helped relative performance, as well as not owning BT, which fell back.

“ The strongest sectors included the cyclical areas of construction & materials, real estate and mining, but some defensive sectors were also strong, such as tobacco and electricity.

The overall portfolio structure was not changed in March but we took profits on some of the strong performers; IG Group, BATS and CRH, to fund additions to cheaper shares; Centrica, Lloyds and Hansteen.

Despite the volatile stock market in recent months, the underlying economic outlook has changed little over the last year. A slow recovery from the global financial crisis is continuing, although there are specific risks, such as slowing growth in emerging markets and the “Brexit” referendum. The equity market in aggregate offers good value but there is a wide disparity between defensive shares, which are typically expensive, and cyclical and financial shares, which are generally cheaper.



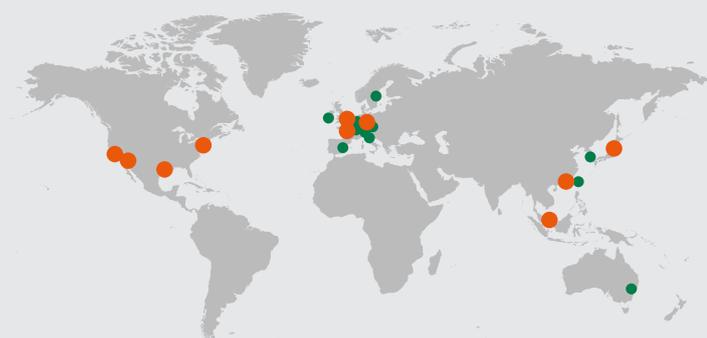
Simon Gergel, Portfolio Manager

The Merchants Trust PLC is managed by Simon Gergel who is Chief Investment Officer at AllianzGI and has 27 years investment experience. He is pictured here with Matthew Tillet, UK equity portfolio manager. Simon joined AllianzGI in April 2006 from HSBC Halbis Partners where he managed over £900m in high income funds as well as core institutional and life UK equity portfolios. Prior to joining HSBC, Simon worked for 14 years at Phillips & Drew Fund Management / UBS Asset Management.

In this environment, we are finding many opportunities to invest in promising businesses on attractive valuations. Our favoured areas include certain of the Mega Cap stocks, like HSBC, Royal Dutch Shell and GlaxoSmithKline as well as a number of recovery situations, such as in the construction, retail or leisure sectors.

Simon Gergel
4 April 2016

This is no recommendation or solicitation to buy or sell any particular security. Any security mentioned above will not necessarily be comprised in the portfolio by the time this document is disclosed or at any other subsequent date.



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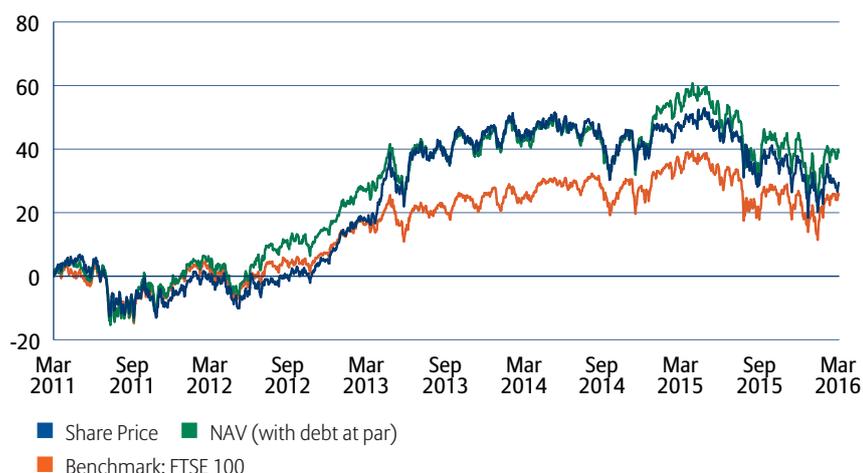
About Allianz Global Investors

Allianz Global Investors is a diversified active investment company managing €442 billion (as at 31.12.15) in assets worldwide. AllianzGI employs more than 500 investment professionals in 24 cities in 18 countries and uses specialised in-house researchers around the world to carry out in-depth analysis across economic and industrial sectors. These analysts conduct over 5,000 meetings each year with companies that represent potential investments, feeding back their insights to the portfolio managers and their teams.

Portfolio managers also benefit from GrassrootsSM Research, a global network of over 300 independent, experienced journalists and field force researchers, and over 50,000 industry contacts to identify stock and sector trends before our competitors do.

Performance Track Record

Five Year Performance (%)



Risk & Features

Investment trusts are quoted companies listed on the London Stock Exchange. Their share prices are determined by factors including the balance of supply and demand in the market.

Merchants seeks to enhance returns for its shareholders through gearing which can boost the Trust's returns when investments perform well, though losses can be magnified when investments lose value. You should be aware that this Trust may be subject to sudden and large falls in value and you could suffer substantial capital loss.

Derivatives may be used to manage the Trust efficiently.

Cumulative Returns (%)

	3M	6M	1Y	3Y	5Y
Share Price	-5.0	-1.2	-11.2	10.3	29.5
NAV	-2.6	3.0	-8.5	9.1	39.0
Benchmark	0.1	3.8	-5.3	7.5	25.6

Discrete 12 Month Returns (%) to 31 March

	2012	2013	2014	2015	2016
Share Price	-1.4	19.1	22.4	1.4	-11.2
NAV	3.5	23.0	12.1	6.4	-8.5
Benchmark	1.2	15.4	6.7	6.3	-5.3

Source: Lipper, percentage growth, mid to mid, total return to 31.03.16. Copyright 2016 © Lipper, a Thomson Reuters company. All rights reserved. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

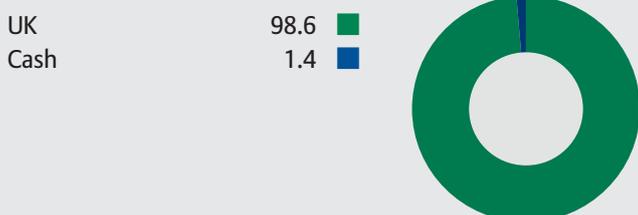
Past performance is not a reliable indicator of future returns. You should not make any assumptions on the future on the basis of performance information. The value of an investment and the income from it can fall as well as rise as a result of market fluctuations and you may not get back the amount originally invested. This investment trust charges 65% of its annual management fee to the capital account and 35% to revenue. This could lead to a higher level of income but capital growth will be constrained as a result.

Portfolio Breakdown

Sector Breakdown (%)



Geographic Breakdown (%)



Top Ten Holdings (%)

GlaxoSmithKline	7.3
Royal Dutch Shell "B" Shares	7.0
HSBC	5.4
UBM	5.3
BP	4.6
Lloyds Banking Group	3.8
BAE Systems	3.4
Inmarsat	3.0
Centrica	2.9
Tate & Lyle	2.7

Total number of holdings* 45

*Excludes derivatives

Market Cap Breakdown (%)



Key Information

Launch Date	16 February 1889
AIC Sector	UK Equity Income
Benchmark	FTSE 100
Annual Management Charge	0.35%
Performance Fee	No
Ongoing Charges ¹	0.58%
Year End	31 January
Annual Financial Report	Final posted in April, Half-yearly posted in September
AGM	May
NAV Frequency	Daily
Dividends	February, May, August, November
Price Information	Financial Times, The Daily Telegraph, www.merchantstrust.co.uk
Company Secretary	Kirsten Salt
Investment Manager	Simon Gergel, CIO, UK Equities
Codes	RIC: MRCH.L SEDOL: 0580007

1. Source: AIC, as at the Trust's Financial Year End (31.01.2016). Ongoing Charges (previously Total Expense Ratios) are published annually to show operational expenses incurred in the running of the company but excluding financing costs.

Board of Directors

Left to right: Sybella Stanley, Simon Fraser (Chairman), Paul Yates, Mary Ann Sieghart, Mike McKeon (Chairman of the Audit Committee and Senior Independent Director)



How to invest

The Trust is a UK public limited company traded openly on the stock market and you can purchase shares through a stock broker. Shares in the Trust can be held within an ISA, JISA, SIPP and/or savings scheme. A number of providers offer this facility, a list of which is available on our website.

Contact us

If you have any queries regarding our investment trusts our Investor Services team can be contacted on:

0800 389 4696

www.merchantstrust.co.uk

E-mail: investment-trusts@allianzgi.com

You will find much more information about The Merchants Trust on our website.

Please note that we can only offer information and are unable to provide investment advice. You should contact your financial adviser before making any investment decision.



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